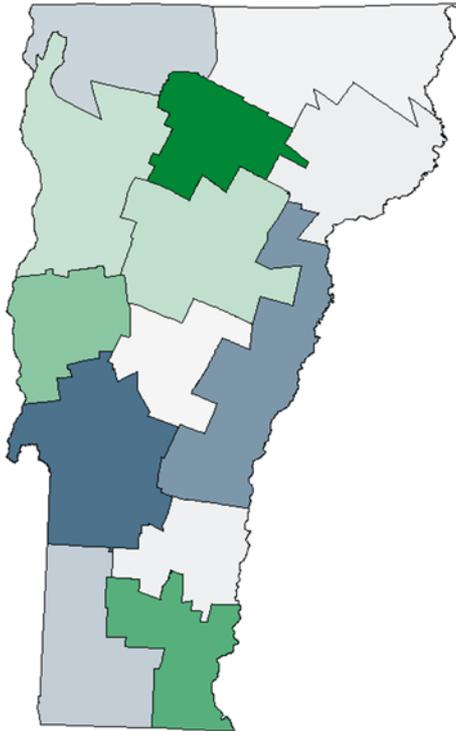


Fiscal Year 2018 Enforcement Hearing

April 8, 2019

Lori Perry, Senior Healthcare Financial Systems Analyst
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Agatha Kessler, Health Policy Director



Enforcement FY18 Overview

Hospitals were asked to explain circumstances contributing to their FY18 operating results and plans to address those issues. Additionally, hospitals were asked to address:

1. Drivers of the NPR/FPP variance;
2. Drivers of operating margin variance;
3. For hospitals below FY 2018 operating margin budget, address actions to meet FY 2019 budget;
4. Year-to-date (YTD) results, as of February 28, 2019:
 - a. a. NPR/FPP YTD variance, including comparison to prior year;
 - b. Operating margin variance, including comparison to prior year; and
5. FY 2019 forecast for NPR/FPP and operating margin

Additionally, hospitals below the -2.5% threshold were asked to address their position on a possible budget rebase. Hospitals exceeding the 2.0% threshold were asked to address their position on potential enforcement actions pursuant to GMCB Rule 3.000, § 3.401(c).

Background and Justification for the Board's enforcement policy is available in the [FY2018 Hospital Budget Guidance](#). Board review will not necessarily lead to further action.

Enforcement FY18 Overview

The following hospital exceeded the +2.0% threshold and has been scheduled for an enforcement hearing:

Hospitals > 2.0%		
Mount Ascutney	4.4%	April 10th

Any hospital exceeding the 2.0% threshold was asked to address their position on potential enforcement actions pursuant to GMCB Rule 3.000, § 3.401(c).

Enforcement FY18 Overview

The following hospitals fell below the -2.5% threshold and have been scheduled for an enforcement hearing:

Hospitals < -2.5%		
Copley	-2.6%	April 12th
Northwestern	-2.6%	April 8th
North Country*	-5.8%	April 10th
Springfield	-10.8%	April 17th
Gifford	-17.9%	April 8th

Hospitals below the -2.5% threshold were asked to address their position on a possible budget rebase.

FY2020 Budget Guidance

“For hospitals with Actual FY 2018 and Projected FY 2019 NPR/FPP that is at least 2% below budgeted NPR/FPP, the GMCB expects NPR/FPP and Expenses in the FY 2020 budget submission to align with the hospital’s Actual FY 2018 and Projected FY 2019 results. For these hospitals, the GMCB would not expect to see NPR/FPP more than 5% greater than Projected FY 2019 NPR/FPP unless there is a clear explanation and documentation describing why a larger increase in NPR/FPP is justified. For hospitals with Projected FY 2019 NPR/FPP that is greater than budgeted, the GMCB would not expect to see FY 2020 NPR/FPP greater than 3.5% unless clearly justified. ”

* North Country’s data is considered preliminary.